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BAKER BOTTS L.L.P.			SEE, CAROL A	
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SUITE 600			PAPER NUMBER	
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Please find below and/or attached an Office communication concerning this application or proceeding.

The time period for reply, if any, is set in the attached communication.

Notice of the Office communication was sent electronically on above-indicated "Notification Date" to the following e-mail address(es):

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Office Action Summary	Application No.	Applicant(s)	
	10/736,723	LIFSON, KALMAN A.	
	Examiner	Art Unit	
	Carol See	4132	

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) OR THIRTY (30) DAYS, WHICHEVER IS LONGER, FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

Status

- 1) ☒ Responsive to communication(s) filed on 15 December 2003.
- 2a) ☐ This action is **FINAL**. 2b) ☒ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

Disposition of Claims

- 4) ☒ Claim(s) 1-25 is/are pending in the application.
- 4a) Of the above claim(s) _____ is/are withdrawn from consideration.
- 5) ☐ Claim(s) _____ is/are allowed.
- 6) ☒ Claim(s) 1-25 is/are rejected.
- 7) ☐ Claim(s) _____ is/are objected to.
- 8) ☐ Claim(s) _____ are subject to restriction and/or election requirement.

Application Papers

- 9) ☐ The specification is objected to by the Examiner.
- 10) ☒ The drawing(s) filed on 15 December 2003 is/are: a) ☒ accepted or b) ☐ objected to by the Examiner.
Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).
Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).
- 11) ☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

Priority under 35 U.S.C. § 119

- 12) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
- a) ☐ All b) ☐ Some * c) ☐ None of:
1. ☐ Certified copies of the priority documents have been received.
 2. ☐ Certified copies of the priority documents have been received in Application No. _____.
 3. ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

* See the attached detailed Office action for a list of the certified copies not received.

KHOI H. TRAN
SUPERVISORY PATENT EXAMINER

Attachment(s)

- 1) ☒ Notice of References Cited (PTO-892)
- 2) ☐ Notice of Draftsperson's Patent Drawing Review (PTO-948)
- 3) ☒ Information Disclosure Statement(s) (PTO/SB/08)
Paper No(s)/Mail Date 12/15/2003.

- 4) ☐ Interview Summary (PTO-413)
Paper No(s)/Mail Date. _____.
- 5) ☐ Notice of Informal Patent Application
- 6) ☐ Other: _____.

DETAILED ACTION

Claim Rejections - 35 USC § 101

1. 35 U.S.C. 101 reads as follows:

Whoever invents or discovers any new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof, may obtain a patent therefor, subject to the conditions and requirements of this title.

2. Claims 19 – 25 are rejected under 35 U.S.C. 101 because the claimed invention is directed to non-statutory subject matter. Claims 20-25 are rejected because they depend from claim 19.

3. Under the statutory requirement of 35 U.S.C. § 101, a claimed invention must fall within one of four statutory categories – process, machine, article of manufacture or composition of matter. If a claimed invention does not fit one of these categories, it must be evaluated to determine if it is a practical application of a judicial exception – i.e., it produces a physical transformation or a useful, concrete, and tangible result. For a claimed invention to be useful, it must yield a result that is specific, substantial, and credible (MPEP § 2107). A concrete result is one that is substantially repeatable, i.e., it produces substantially the same result over and over again (*In re Swartz*, 232 F.3d 862, 864, 56 USPQ2d 1703, 1704 (Fed. Cir. 2000)). In order to be tangible, a claimed invention must set forth a practical application that generates a real-world result, i.e., the claim must be more than a mere abstraction (*Benson*, 409 U.S. at 71-72, 175 USPQ at 676-77). Additionally, a claim may not preempt abstract ideas, laws of nature or natural phenomena nor may a claim preempt every “substantial practical application” of an abstract idea, law of nature or natural phenomena because it would in practical effect be a patent on the judicial exceptions themselves (*Gottschalk v. Benson*, 409 U.S. 63, 71-

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72 (1972)). (Please refer to the "Interim Guidelines for Examination of Patent Applications for Patent Subject Matter Eligibility" for further explanation of the statutory requirement of 35 U.S.C. § 101.) Claims 19-25 do not fit into any of the above-described categories, and are therefore rejected as directed to non-statutory subject matter.

Claim Rejections - 35 USC § 103

4. The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

5. Claim 1, 3-7, 9, 11, 14-16, 18, 19, 21-23 and 25 are rejected under 35 U.S.C. 103(a) as being unpatentable over Ciampi (U.S. 7,167,837) in view of Trade10.com website (Multiple Linear Regression) and further in view of Li (U.S. 6,453,303).

As to claim 1, Ciampi shows a method for investing, comprising:

creating an equation for a plurality of stocks, wherein the equation is created using multiple linear regression techniques to calculate a plurality of coefficients each associated with one of a plurality of statistic types that is correlated with actual market prices of the plurality of stocks (col. 5, lines 17- 28 and Fig. 1, elements 108, showing calculation of coefficients for variables and examples of those variables in conjunction with col. 9, lines 4-42 and Table 2, showing additional examples of variables and the calculation of coefficients).

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Ciampi does not specifically show at least some of the plurality of statistic types comprising financial information, other than the particular stock's past market price, specific to the entity associated with the particular stock.

Trade10.com website teaches linear regression using statistic types particular to a specific entity (page 1).

It would have been obvious to one of ordinary skill in the art to have modified the invention disclosed in Ciampi by the teaching of Trade10.com in order to project price levels into the future (see Trade10.com, pg. 1).

The combination of Ciampi and Trade10.com does not specifically show using the equation created from linear regression to estimate the degree to which a stock or stocks are over-priced or under-priced relative to the price of other stocks; nor does the combination show purchasing or selling stocks, futures contracts or options based on estimates made using the equation.

Li teaches using an equation created from linear regression to estimate the degree to which a stock or stocks are over-priced or under-priced relative to the price of other stocks (col. 5, lines 51-54) and based upon the estimates made using the equation, purchasing or selling at least some stocks, futures contracts on at least some stocks, or options on at least some stocks, in the plurality of stocks (col. 6, lines 11-21, showing recommendations to buy or sell).

It would have been obvious to one of ordinary skill in the art to have modified the combination of Ciampi and Trade10.com by the teaching of Li in order to provide a more in depth analysis for a wide variety of financial assets (see Li, col. 1, lines 66-67).

As to claim 3, the combination of Ciampi and Trade10.com in view of Li shows all elements of claim 1. Ciampi further shows at least one of a plurality of statistic types comprising a financial statistic that is non-unique to any particular stock in the plurality of stocks (col. 5, lines 17-27).

As to claim 4, the combination of Ciampi and Trade10.com in view of Li shows shows all elements of claim 1. Ciampi further shows creating an equation further comprising calculating the plurality of coefficients using at least one stepwise linear regression (col. 6, lines 58-60 in conjunction with col. 5, lines 17-20, showing regression used to calculate coefficients).

As to claim 5, the combination of Ciampi and Trade10.com in view of Li shows all elements of claim 1. Ciampi further shows a plurality of statistic types that does not include certain statistic types that were eliminated using a correlation analysis (col. 9, lines 5-12 and 38-60).

As to claim 6, the combination of Ciampi and Trade10.com in view of Li shows all elements of claim 1. Li further teaches at least some stocks rejected from consideration for purchasing or selling based upon a first elimination criterion (col. 5, lines 50-54, showing determination of overbought assets, indicating rejection from being purchased because it is too expensive).

It would have been obvious to one of ordinary skill in the art to have further modified the combination of Ciampi and Trade10.com by the teaching of Li in order to provide a mechanism by which an investor can easily and efficiently manage the risk of his/her investment portfolio (see Li, col. 5, lines 37-39).

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As to claim 7, the combination of Ciampi and Trade10.com in view of Li shows all elements of claim 6. Li further teaches a first elimination criterion comprising at least one criteria selected from the group comprising: insufficient liquidity, operation at a loss, a dramatic recent change in share price, sensitivity to interest rate changes, a price to earnings ratio above a particular threshold, and a price to earnings ratio below a particular threshold (col. 4, lines 46 – 59, showing Beta as a quantitative measure of volatility (price change) in conjunction with col. 6, lines 45-48, showing buy/sell advice given based on this information).

It would have been obvious to one of ordinary skill in the art to have further modified the combination of Ciampi and Trade10.com by the teaching of Li in order to provide a mechanism by which an investor can easily and efficiently manage the risk of his/her investment portfolio (see Li, col. 5, lines 37-39).

As to claim 9, the combination of Ciampi and Trade10.com in view of Li shows all elements of claim 1. Applicant's recitation of "statistics that must be reported to a government entity" constitutes nonfunctional descriptive material that does not further limit the claimed invention. This type of information is not functionally related to the method. Accordingly, this recitation is not given patentable weight. See *In re Gulack*, 703 F.2d 1381, 1385, 217 USPQ 401, 403-04 (Fed. Cir. 1983).

As to claim 11, Ciampi shows a method for investing, comprising:

creating an equation for a plurality of stocks, wherein the equation is created using regression techniques to calculate a plurality of coefficients each associated with one of a plurality of statistic types that is correlated with a first value measure of the

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plurality of stocks (col. 5, lines 17- 28 and Fig. 1, elements 108, showing calculation of coefficients for variables and examples of those variables in conjunction with col. 9, lines 4-42 and Table 2, showing additional examples of variables and the calculation of coefficients).

Ciampi does not specifically show at least some of the plurality of statistic types comprising financial information, other than the particular stock's past market price, specific to the entity associated with the particular stock; nor does it show a first value measure comprising a value measure selected from the group consisting of actual market price, price to earnings ratio, price to book value ratio, and price to revenue ratio.

Trade10.com website teaches linear regression using statistic types particular to a specific entity and a value measure of price to earnings ratio (page 1).

It would have been obvious to one of ordinary skill in the art to have modified the invention disclosed in Ciampi by the teaching of Trade10.com in order to project specific entity price levels into the future (see Trade10.com, pg. 1).

The combination of Ciampi and Trade10.com does not specifically show using the equation created from linear regression to estimate the degree to which a stock or stocks are over-valued or under-valued relative to the plurality of stocks as a whole; nor does the combination show purchasing or selling stocks, futures contracts or options based on estimates made using the equation.

Li teaches using an equation created from linear regression to estimate the degree to which a stock or stocks are over-valued or under-valued relative to the

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plurality of stocks as a whole (col. 5, lines 51-54) and based upon the estimates made using the equation, purchasing or selling at least some stocks, futures contracts on at least some stocks, or options on at least some stocks, in the plurality of stocks (col. 6, lines 11-21, showing recommendations to buy or sell).

It would have been obvious to one of ordinary skill in the art to have modified the combination of Ciampi and Trade10.com by the teaching of Li in order to provide a more in depth analysis for a wide variety of financial assets (see Li, col. 1, lines 66-67).

As to claim 14, the combination of Ciampi and Trade10.com in view of Li shows all elements of claim 11. Ciampi further shows an equation comprising a weighted average of results produced from a plurality of additional equations created using regression techniques (col. 5, line 59 through col. 6, line 57).

As to claim 15, the combination of Ciampi and Trade10.com in view of Li shows all elements of claim 11. Li further teaches at least some stocks rejected from consideration for purchasing or selling based upon a first elimination criterion (col. 5, lines 50-54, showing determination of overbought assets, indicating rejection from being purchased because they are too expensive).

It would have been obvious to one of ordinary skill in the art to have further modified the combination of Ciampi and Trade10.com by the teaching of Li in order to provide a mechanism by which an investor can easily and efficiently manage his/her investment portfolio (see Li, col. 5, lines 37-39).

As to claim 16, the combination of Ciampi and Trade10.com in view of Li shows all elements of claim 15. Li further teaches a first elimination criterion comprising at least

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one criteria selected from the group comprising: insufficient liquidity, operation at a loss, a dramatic recent change in share price, sensitivity to interest rate changes, a price to earnings ratio above a particular threshold, and a price to earnings ratio below a particular threshold (col. 4, lines 46 – 59, showing Beta as a quantitative measure of volatility (price change)).

It would have been obvious to one of ordinary skill in the art to have further modified the combination of Ciampi and Trade10.com by the teaching of Li in order to provide a mechanism by which an investor can easily and efficiently manage his/her investment portfolio (see Li, col. 5, lines 37-39).

As to claim 18, the combination of Ciampi and Trade10.com in view of Li shows all elements of claim 11. Applicant's recitation of "statistics that must be reported to a government entity" constitutes nonfunctional descriptive material that does not further limit the claimed invention. This type of information is not functionally related to the method. Accordingly, this recitation is not given patentable weight. See *In re Gulack*, 703 F.2d 1381, 1385, 217 USPQ 401, 403-04 (Fed. Cir.

As to claim 19, Ciampi shows creating an equation for a plurality of stocks, wherein the equation is created using regression techniques to calculate a plurality of coefficients each associated with one of a plurality of statistic types that is correlated with a first value measure of the plurality of stocks (col. 5, lines 17- 28 and Fig. 1, elements 108, showing calculation of coefficients for variables and examples of those variables in conjunction with col. 9, lines 4-42 and Table 2, showing additional examples of variables and the calculation of coefficients).

Ciampi does not specifically show at least some of the plurality of statistic types comprising financial information, other than the particular stock's past market price, specific to the entity associated with the particular stock; nor does it show a first value measure comprising a value measure selected from the group consisting of actual market price, price to earnings ratio, price to book value ratio, and price to revenue ratio.

Trade10.com website teaches linear regression using statistic types particular to a specific entity and a value measure of price to earnings ratio (page 1).

It would have been obvious to one of ordinary skill in the art to have modified the invention disclosed in Ciampi by the teaching of Trade10.com in order to project specific entity price levels into the future (see Trade10.com, pg. 1).

The combination of Ciampi and Trade10.com does not specifically show using the equation created from linear regression to estimate the degree to which a stock or stocks are over-valued or under-valued relative to the plurality of stocks as a whole; nor does the combination show a portfolio comprising stocks purchased at least partially in response to an under- or over- valuation determination.

Li teaches using an equation created from linear regression to estimate the degree to which a stock or stocks are over-valued or under-valued relative to the plurality of stocks as a whole (col. 5, lines 51-54) and based upon the estimates made using the equation, purchasing or selling at least some stocks (col. 6, lines 11-21, showing recommendations to buy or sell)). (Also see Fig. 3, showing advice presented on a stock).

It would have been obvious to one of ordinary skill in the art to have modified the combination of Ciampi and Trade10.com by the teaching of Li in order to provide a more in depth analysis for a wide variety of financial assets (see Li, col. 1, lines 66-67).

As to claim 21, the combination of Ciampi and Trade10.com in view of Li shows all elements of claim 19. Ciampi further shows an equation comprising a weighted average of results produced from a plurality of additional equations created using regression techniques (col. 5, line 59 through col. 6, line 57).

As to claim 22, the combination of Ciampi and Trade10.com in view of Li shows all elements of claim 19. Li further teaches at least some stocks rejected from consideration for inclusion in the portfolio based upon a first elimination criterion (col. 5, lines 50-54, showing determination of overbought assets, indicating rejection from being purchased because it is too expensive).

It would have been obvious to one of ordinary skill in the art to have further modified the combination of Ciampi and Trade10.com by the teaching of Li in order to provide a mechanism by which an investor can easily and efficiently manage the risk of his/her investment portfolio (see Li, col. 5, lines 37-39).

As to claim 23, the combination of Ciampi and Trade10.com in view of Li shows all elements of claim 22. Li further teaches a first elimination criterion comprising at least one criteria selected from the group comprising: insufficient liquidity, operation at a loss, a dramatic recent change in share price, sensitivity to interest rate changes, a price to earnings ratio above a particular threshold, and a price to earnings ratio below a

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particular threshold (col. 4, lines 46 – 59, showing Beta as a quantitative measure of volatility (price change)).

It would have been obvious to one of ordinary skill in the art to have further modified the combination of Ciampi and Trade10.com by the teaching of Li in order to provide a mechanism by which an investor can easily and efficiently manage the risk of his/her investment portfolio (see Li, col. 5, lines 37-39).

As to claim 25, the combination of Ciampi and Trade10.com in view of Li shows all elements of claim 19. Applicant's recitation of "statistics that must be reported to a government entity" constitutes nonfunctional descriptive material that does not further limit the claimed invention. This type of information is not functionally related to the method. Accordingly, this recitation is not given patentable weight. See *In re Gulack*, 703 F.2d 1381, 1385, 217 USPQ 401, 403.

6. Claims 10 and 12 are rejected under 35 U.S.C. 103(a) as being unpatentable over the combination of Ciampi and Trade10.com in view of Li as applied to claim 1 above, and further in view of official notice.

As to claim 10, the combination of Ciampi and Trade10.com in view of Li shows all elements of claim 1. Li further teaches for some of the plurality of stocks, identifying an overvalued set of stocks and an undervalued set of stocks based upon an equation (col. 5, lines 51-54).

It would have been obvious to one of ordinary skill in the art to have further modified the combination of Ciampi and Trade10.com by the teaching of Li in order to allow an investor to easily and efficiently manage an investment portfolio (col. 5, lines

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37-40).

The combination of Ciampi and Trade10.com in view of Li does not specifically show selling short, buying or selling futures contracts on, or buying or selling options on at least some stocks in the overvalued set of stocks; and buying, buying or selling futures contracts on, or buying or selling options on at least some stocks in the undervalued set of stocks.

Examiner takes official notice that selling short is a technique used by investors who try to profit from the falling price of a stock and further that a stock that is overvalued is considered priced too high and is expected to fall. Conversely, the price of a stock that is undervalued is expected to rise, leading to a purchase with the expectation of that stock increasing in value.

It would have been obvious to one of ordinary skill in the art to have further modified the combination of Ciampi and Trade10.com in view of Li in order to effectively manage an investment portfolio.

As to claim 12, the combination of Ciampi and Trade10.com in view of Li shows all elements of claim 11. Li further teaches for some of the plurality of stocks, identifying an overvalued set of stocks and an undervalued set of stocks based upon an equation (col. 5, lines 51-54).

It would have been obvious to one of ordinary skill in the art to have further modified the combination of Ciampi and Trade10.com by the teaching of Li in order to allow an investor to easily and efficiently manage an investment portfolio (col. 5, lines 37-40).

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The combination of Ciampi and Trade10.com in view of Li does not specifically show selling short, buying or selling futures contracts on, or buying or selling options on at least some stocks in the overvalued set of stocks; and buying, buying or selling futures contracts on, or buying or selling options on at least some stocks in the undervalued set of stocks.

Examiner takes official notice that selling short is a technique used by investors who try to profit from the falling price of a stock and further that a stock that is overvalued is considered priced too high and is expected to fall. Conversely, the price of a stock that is undervalued is expected to rise, leading to a purchase with the expectation of that stock increasing in value.

It would have been obvious to one of ordinary skill in the art to have further modified the combination of Ciampi and Trade10.com in view of Li in order to effectively manage an investment portfolio.

7. Claims 2, 8, 13,17, 20 and 24 are rejected under 35 U.S.C. 103(a) as being unpatentable over the combination of Ciampi and Trade10.com in view of Li, and further in view of Multiple Regression website (2002)(hereinafter referred to as "MR website.")

As to claim 2, the combination of Ciampi and Trade10.com in view of Li shows all elements of claim 1.

The combination of Ciampi and Trade10.com in view of Li does not specifically show iteratively performing linear regression wherein outliers are eliminated from use in creating the equation after at least one iteration; nor does the combination show outliers

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comprising points whose values as determined by the most recent iteration of the regression exceeds a threshold multiple of standard deviations.

The MR website teaches a regression line with outliers that may be eliminated from consideration after an initial calculation shows values that lie outside an overall pattern (pg. 6). Elimination of those values requires a subsequent calculation that does not include that value. The MR website further teaches that outliers may be determined as those points lying more than 2 standard deviations from an estimated value (pg. 12).

It would have been obvious to one of ordinary skill in the art to have modified the combination of Ciampi and Trade10.com in view of Li by the teaching of the MR website in order to manage those values appearing to lie outside a general pattern (pg. 6).

Applicant's recitation of a "stock" used in the equation constitutes nonfunctional descriptive material that does not further limit the claimed invention. This type of information is not functionally related to the method. Accordingly, this recitation is not given patentable weight. See *In re Gulack*, 703 F.2d 1381, 1385, 217 USPQ 401, 403-04 (Fed. Cir. 1983).

As to claim 8, the combination of Ciampi and Trade10.com in view of Li shows all elements of claim 6.

The combination of Ciampi and Trade10.com in view of Li does not specifically show a first elimination criterion determined using additional linear regression to determine a consensus prediction of the value of a particular financial statistic and wherein the first elimination criteria comprises eliminating stocks where the actual value

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of the particular financial statistic for a stock exceeds a threshold variance from the consensus prediction of the value of the particular financial statistic for the stock.

The MR website teaches a first elimination criterion determined using additional linear regression to determine a consensus prediction of the value of a particular variable wherein the first elimination criteria comprises eliminating those points where the actual value of the particular variable exceeds a threshold variance from the consensus prediction of the value of the particular variable at that point (page 12, indicating elimination of outliers of a value more than 2 standard deviations from a predicted value).

It would have been obvious to one of ordinary skill in the art to have modified the combination of Ciampi and Trade10.com in view of Li by the teaching of the MR website in order to manage those values appearing to lie outside a general pattern (pg. 6).

Applicant's recitation of a "financial statistic" regarding a stock being the value used in the equation constitutes nonfunctional descriptive material that does not further limit the claimed invention. This type of information is not functionally related to the method. Accordingly, this recitation is not given patentable weight. See *In re Gulack*, 703 F.2d 1381, 1385, 217 USPQ 401, 403-04 (Fed. Cir. 1983).

As to claim 13, the combination of Ciampi and Trade10.com in view of Li shows all elements of claim 11.

The combination of Ciampi and Trade10.com in view of Li does not specifically show at some point before final creation of the equation, eliminating at least one stock from the plurality of stocks for use in determining the equation based upon a numerical

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criteria indicating that the at least one stock comprises an outlier from a statistical point of view.

The MR website shows at some point before final creation of the equation, eliminating at least one point from the plurality of points for use in determining the equation based upon a numerical criteria indicating that the at least one point comprises an outlier from a statistical point of view (pg. 6).

It would have been obvious to one of ordinary skill in the art to have modified the combination of Ciampi and Trade10.com in view of Li by the teaching of the MR website in order to manage those values appearing to lie outside a general pattern (pg. 6).

Applicant's recitation of a "stock" used in the equation constitutes nonfunctional descriptive material that does not further limit the claimed invention. This type of information is not functionally related to the method. Accordingly, this recitation is not given patentable weight. See *In re Gulack*, 703 F.2d 1381, 1385, 217 USPQ 401, 403-04 (Fed. Cir. 1983).

As to claim 17, the combination of Ciampi and Trade10.com in view of Li shows all elements of claim 15.

The combination of Ciampi and Trade10.com in view of Li does not specifically show a first elimination criterion determined using additional linear regression to determine a consensus prediction of the value of a particular financial statistic and wherein the first elimination criteria comprises eliminating stocks where the actual value of the particular financial statistic for a stock exceeds a threshold variance from the consensus prediction of the value of the particular financial statistic for the stock.

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The MR website teaches a first elimination criterion determined using additional linear regression to determine a consensus prediction of the value of a particular variable wherein the first elimination criteria comprises eliminating points where the actual value of the variable for a point exceeds a threshold variance from the consensus prediction of the value of the particular variable for the point (page 12, indicating elimination of outliers of a value more than 2 standard deviations from a predicted value).

It would have been obvious to one of ordinary skill in the art to have modified the combination of Ciampi and Trade10.com in view of Li by the teaching of the MR website in order to manage those values appearing to lie outside a general pattern (pg. 6).

Applicant's recitation of a "financial statistic" regarding a stock being the value used in the equation constitutes nonfunctional descriptive material that does not further limit the claimed invention. This type of information is not functionally related to the method. Accordingly, this recitation is not given patentable weight. See *In re Gulack*, 703 F.2d 1381, 1385, 217 USPQ 401, 403-04 (Fed. Cir. 1983).

As to claim 20, the combination of Ciampi and Trade10.com in view of Li shows all elements of claim 19.

The combination of Ciampi and Trade10.com in view of Li does not specifically show a value estimate further determined by at some point before final creation of the equation, eliminating at least one stock from the plurality of stocks for use in determining the equation based upon a numerical criteria indicating that the at least one stock comprises an outlier from a statistical point of view.

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The MR website teaches at some point before final creation of the equation, eliminating at least one point from the plurality of points for use in determining the equation based upon a numerical criteria indicating that the at least one point comprises an outlier from a statistical point of view (pg. 6).

It would have been obvious to one of ordinary skill in the art to have modified the combination of Ciampi and Trade10.com in view of Li by the teaching of the MR website in order to manage those values appearing to lie outside a general pattern (pg. 6).

Applicant's recitation of a "stock" used in the equation constitutes nonfunctional descriptive material that does not further limit the claimed invention. This type of information is not functionally related to the method. Accordingly, this recitation is not given patentable weight. See *In re Gulack*, 703 F.2d 1381, 1385, 217 USPQ 401, 403-04 (Fed. Cir. 1983).

As to claim 24, the combination of Ciampi and Trade10.com in view of Li shows all elements of claim 22.

The combination of Ciampi and Trade10.com in view of Li does not specifically show a first elimination criterion determined using additional linear regression to determine a consensus prediction of the value of a particular financial statistic and wherein the first elimination criteria comprises eliminating stocks where the actual value of the particular financial statistic for a stock exceeds a threshold variance from the consensus prediction of the value of the particular financial statistic for the stock.

The MR website teaches a first elimination criterion determined using additional linear regression to determine a consensus prediction of the value of a particular

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variable wherein the first elimination criteria comprises eliminating points where the actual value of the particular variable exceeds a threshold variance from the consensus prediction of the value of the variable (page 12, indicating elimination of outliers of a value more than 2 standard deviations from a predicted value).

It would have been obvious to one of ordinary skill in the art to have modified the combination of Ciampi and Trade10.com in view of Li by the teaching of the MR website in order to manage those values appearing to lie outside a general pattern (pg. 6).

Applicant's recitation of a "financial statistic" regarding a stock being the value used in the equation constitutes nonfunctional descriptive material that does not further limit the claimed invention. This type of information is not functionally related to the method. Accordingly, this recitation is not given patentable weight. See *In re Gulack*, 703 F.2d 1381, 1385, 217 USPQ 401, 403-04 (Fed. Cir. 1983).

Conclusion

Any inquiry concerning this communication or earlier communications from the examiner should be directed to Carol See whose telephone number is (571) 272-9742. The examiner can normally be reached on Monday - Thursday 6:45 am - 5:15 pm.

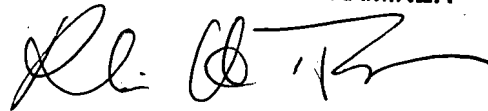
If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Khoi Tran can be reached on (571) 272-6919. The fax phone number for the organization where this application or proceeding is assigned is 571-273-8300.

Art Unit: 4132

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Carol See
Patent Examiner
Art Unit 4132

KHOI H. TRAN
SUPERVISORY PATENT EXAMINER

A handwritten signature in black ink, appearing to read 'Khoi H. Tran', is written over the printed name and title.